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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**DEBTOR'S OBJECTION TO LATE
FILED ADMINISTRATIVE EXPENSE
CLAIM OF EMILY LEE**

Hearing Date: February 7, 2024

Hearing Time: 9:30 a.m.

Cash Cloud, Inc. ("Debtor"), debtor and debtor in possession in the above-referenced chapter 11 bankruptcy case (the "Chapter 11 Case"), by and through its undersigned counsel, Fox Rothschild LLP ("Fox"), hereby submits this Objection (the "Objection") to the Administrative Claim, filed as Proof of Claim No. 223 (the "Lee Claim") filed by Emily Lee ("Ms. Lee").

The Objection is based upon the grounds that the Lee Claim described herein was filed after the claims bar date, and therefore, Debtor has no liability on account of such Lee Claim.

The Objection is made pursuant to Section 502 of chapter 11 of Title 11 of the United States Code (as amended, the "Bankruptcy Code"), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 3007 of the Local Rules of Bankruptcy Practice (the "Local Rules"), the points and authorities contained herein, the *Declaration of Daniel Ayala* (the "Ayala

1 Declaration”) filed in support of this Objection, the pleadings and papers on file with the Court, and
 2 any argument of counsel the Court may wish to entertain at the hearing on this matter.

3 Based on the foregoing, the Debtor requests that the Court enter an order, substantially in the
 4 form attached hereto as **Exhibit A**: (i) sustaining the Objection; (ii) disallowing the Lee Claim; and
 5 (iii) granting such other and further relief as the Court may deem just and proper.

6 DATED this 4th day of January 2024.

7 **FOX ROTHSCHILD LLP**

8 By: /s/Brett A. Axelrod
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 13 1980 Festival Plaza Drive, Suite 700
 14 Las Vegas, Nevada 89135
 15 *Counsel for Debtor*

16 **POINTS AND AUTHORITIES**

17 **I.**

18 **BACKGROUND**

19 1. On June 29, 2023, Debtor filed an *Emergency Motion for Entry of an Order*
 20 *Establishing Administrative Claim Bar Date for Filing Proofs of Administrative Expense Claim and*
 21 *Approving Form, Manner and Sufficiency of Notice Thereof; Memorandum of Points and Authorities*
 22 *in Support Thereof* [ECF No. 789] (the “Bar Date Motion”).

23 2. On July 11, 2023, the Court granted the Bar Date Motion and entered its *Order*
 24 *Establishing Administrative Claim Bar Date for Filing Proofs of Administrative Expense Claim and*
 25 *Approving Form, Manner and Sufficiency of Notice Thereof* [ECF No. 823] (the “Bar Date Order”),
 26 which set July 20, 2023, as the bar date (“Bar Date”) for filing Administrative Expense Claims arising
 27 or accruing after the Petition Date, but before July 21, 2023. The Bar Date Order required such
 28 Administrative Expense Claims to be filed electronically or mailed so that they were received by the
 Clerk of the United States Bankruptcy Court on or before 5:00 p.m. Prevailing Pacific Time on the

1 Bar Date. *See* Bar Date Order & Exhibit 1 thereto.

2 3. On July 11, 2023, Debtor filed the *Notice of Entry of Administrative Claim Bar Date*
3 *Order Establishing a Deadline to File Administrative Expense Claim Against the Debtor* [ECF
4 No. 824] (the “Bar Date Notice”).

5 4. On July 14, 2023, the Bar Date Notice was served on Claimant as evidenced by the
6 *Supplemental Certificate of Service* [ECF No. 884] (the “Certificate of Service”).

7 5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. Venue
8 is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding
9 pursuant to 28 U.S.C. § 157(b)(2)(B). The statutory predicate for the relief requested herein is section
10 502(b) of the Bankruptcy Code. Debtor consents to the entry of a final order on this matter.

11 II.

12 THE LEE CLAIM

13 1. On December 13, 2023, Ms. Lee filed the Lee Claim, asserting an administrative claim
14 in an amount of \$14,200.00, on account of a customer refund she asserts is due her. The Lee Claim
15 attaches a copy of text messages with Coin Cloud.

16 2. Debtor objects to the Lee Claim because, as explained more fully below, Ms. Lee filed
17 the Lee Claim after the Bar Date.

18 3. Debtor further reserves rights to file any further objections to the Lee Claim. As
19 required by Local Rule 3007(a)(4), a copy of the first page of the Lee Claim is attached hereto as
20 **Exhibit “1.”**

21 4. As set forth more fully below, the Lee Claim should be disallowed.

22 III.

23 LEGAL ARGUMENT

24 A. The Lee Claim Must Be Disallowed.

25 Section 502(b)(9) of the Bankruptcy Code provides, in relevant part, that a claim shall not be
26 allowed to the extent that “proof of such claim is not timely filed.” 11 U.S.C. § 502(b)(9).

27 Debtor has determined that the Lee Claim was filed after the Bar Date. Debtor has also
28 determined that Ms. Lee had proper notice of the Bar Date. See the Certificate of Service [ECF

No. 884]. Ms. Lee was listed on the Certificate of Service at her last known address on file with Debtor. *See* Ayala Declaration, ¶ 3. As such, Debtor submits that Ms. Lee has was provided with notice of the applicable Bar Date.

Ms. Lee has not filed a motion under Rule 3002(c)(6) contending that the notice of the Bar Date received was insufficient, or filed a motion under Rule 9006(c)(1) contending that her failure to file the Lee Claim after the Bar Date was a result of excusable neglect. *See* Ayala Declaration, ¶ 4.

Accordingly, pursuant to section 502(b)(9) of the Bankruptcy Code, the Lee Claim should be disallowed in its entirety.

IV.

RESERVATION OF RIGHTS

Debtor hereby reserves its right to object in the future to the Lee Claim on any ground, and to amend, modify, and/or supplement the objection, including, without limitation, to object to amended or newly filed claims. Separate notice and hearing will be scheduled for any such objection.

V.

CONCLUSION

For the reasons set forth herein, Debtor respectfully requests that the Court enter an order (i) substantially in the form of **Exhibit A** hereto: (i) sustaining the Objection; (ii) disallowing, in its entirety, the Lee Claim; and (iii) granting such other and further relief as the Court deems just and proper.

Dated this 4th day of January 2024.

FOX ROTHSCHILD LLP

By: /s/Brett A. Axelrod

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Counsel for Debtor

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA		ADMINISTRATIVE CLAIM FORM
In re: Cash Cloud, Inc.	Case No. 23-10423-mkn	PLEASE NOTE: <i>This form should only be used to assert an administrative expense claim that arose or accrued after February 6, 2023, but before July 21, 2023.</i> <div style="text-align: center;"> RECEIVED AND FILED DEC 06 2023 U.S. BANKRUPTCY COURT <small>THIS SPACE IS FOR COURT USE ONLY</small> MARY A. SCHOTT, CLERK </div>
Name of Creditor and Address: the person or other entity to whom the debtor owes money or property <i>Emily LEE</i> <i>P.O. Box 3261</i> <i>Plainfield NJ 07063</i>	<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input checked="" type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Creditor Telephone Number (<i>908 531-7096</i>) Name and address where notices should be sent (if different from above): <div style="height: 40px;"></div>		<div style="text-align: center;"> STRETTO DEC 11 2023 RECEIVED </div>
Creditor Telephone Number () Account or other number by which creditor identifies debtor:	Check here if this claim: <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated:	
1. Basis for Claim: <i>Coincloud owes me \$14,200.00. I was promised a check by August 8, 2023. I received nothing. I was unable to contact them. Never returned any responses to text messages or emails sent to them.</i>		
2. Date debt was incurred: <i>June 14, 2023</i>		
3. Brief description of claim, including the basis for the priority nature of the claim (if any) (attach additional information): <i>Coincloud owes me \$14,200.00. I usually receive a record of my transactions. But for this they never gave me one.</i>		
4. Total Amount of Administrative Claim: \$ <i>14,200.00</i> <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
6. SUPPORTING DOCUMENTS: <i>Attach copies of supporting documents</i> , such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court documents, mortgages security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, explain. If the documents are voluminous, attach a summary.		
7. DATE-STAMPED COPY: To receive an acknowledgement of the filing of your claim, enclose a stamped self-addressed envelope and copy of this proof of claim.		
The original of this completed proof of claim form must be filed electronically on or before 5:00 p.m. Prevailing Pacific Time on July 20, 2023 through the Court's CM/ECF System or mailed to the address below so that it is received by the Clerk of the Bankruptcy Court for the District of Nevada at the address below on or before 5:00 pm Prevailing Pacific Time on July 20, 2023. Clerk of the United States Bankruptcy Court, District of Nevada 300 Las Vegas Blvd. South, Las Vegas, NV 89101		THIS SPACE IS FOR COURT USE ONLY
DATE <i>11/3/2023</i>	SIGNATURE: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <i>Emily Lee</i>	

Penalty for presenting fraudulent claim is a fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 AND 3571.

EXHIBIT A
Proposed Order

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Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-23-10423-mkn

Chapter 11

**ORDER SUSTAINING DEBTOR'S
OBJECTION TO LATE FILED
ADMINISTRATIVE EXPENSE CLAIM
OF EMILY LEE**

Hearing Date: February 7, 2024

Hearing Time: 9:30 a.m.

FOX ROTHSCHILD LLP
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Las Vegas, Nevada 89135
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This Court having reviewed and considered the objection (the “Objection”) of Cash Cloud, Inc. (the “Debtor”), to the administrative expense claim, filed as Proof of Claim No. 223 (the “Lee Claim”) filed by Emily Lee (“Ms. Lee”) pursuant to Section 502 of chapter 11 of Title 11 of the United States Code, Rule 3007 of the Federal Rules of Bankruptcy Procedure, and Rule 3007 of the Local Rules of Bankruptcy Practice; and the Debtor having appeared by and through its counsel, Fox Rothschild LLP; and the Court having considered the arguments of counsel at the hearing on the Objection held on February 7, 2024; and the Court having stated its findings of fact and conclusions of law on the record at the hearing on the Objection, which findings of fact and conclusions of law are incorporated herein by this reference in accordance with Fed. R. Bankr. P. 7052; and for good cause appearing therefor,

IT IS HEREBY ORDERED that the Objection is SUSTAINED.

IT IS FURTHER ORDERED that the Lee Claim is hereby disallowed in its entirety; and

IT IS FURTHER ORDERED that this Court shall, and hereby does, retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Prepared and Respectfully Submitted by:

FOX ROTHSCHILD LLP

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CERTIFICATION OF COUNSEL PURSUANT TO LOCAL RULE 9021

In accordance with Local Rule 9021, counsel submitting this document certifies as follows:

- ☐ The Court has waived the requirement of approval in LR 9021(b)(1).
- ☐ No party appeared at the hearing or filed an objection to the motion
- ☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below:
- ☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

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